From: Jeffrey S. Howard To: Microsoft ATR Date: 12/1/01 8:15am

Subject: I support the Red Hat variation of the MS antitrust settlement

Despite estimated damage awards of 10 to 15 dollars per harmed consumer, these specific economic damages cannot reconcile the larger social harm Microsoft caused through stymieing innovation. Competition and the chance to earn economic profit spawns innovation. However, Microsoft's market power allows it to enjoy monopoly rents and use those rents to protects its monopoly: all at the expense of society!

The best remedy to this case would have been to break the company into two non-competing firms-- one firm to make operating systems and bowsers and the other to make applications. In this way the applications barrier to entry and thus the network effect would not be such an onerous obstacle for a competing OS to overcome. The new "applications specific" firm would have an incentive to port Office to Linux, Unix or other new OS's.

The DOJ is taking the easy way out of this case. When "society" is injured the proper remedy ought to be to eliminate the source of the injury and not to exacerbate it! How could society benefit from having Microsoft increase it's market power?

Red Hat's proposal upholds this philosophy. If adopted it would instantly provide a sufficiently large installed platform base for software venders to have an economic incentive to either port existing application or develop new ones in a non-Windows environment. Increasing the number of venders coding in alternative platforms will lead to more reliable and efficient software notwithstanding Microsoft's arguments.